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Minnesota Labor Market Review

September, 1991

In This Issue:

Unlike nationally, Minnesota's unemployment rates drop below those of a year ago as the state's employment level continues to rise (Pages 1-10).

While several studies shed light on the role education and business must play in preparing workers, other research delves into labor market trends (Page 11).

Despite Minnesota's comparative economic well-being during the last decade, several regions within the state struggle to create or even maintain jobs (Page 12).

Jobs that can protect the planet generally pay well, require special training, are challenging and rewarding---but job opportunities are uncertain (Page 17).

Minnesota

Number of Jobs Rises for Fourth Straight Month

Job growth in Minnesota through mid-summer provides strong evidence that economic recovery in the state continues. All of the jobs lost during last winter's recession have been regained. Consequently, the unemployment rate has stopped rising. In the last four months this measure of economic well-being has fluctuated being above and below its year-ago level. At 4.4% in July, it is again lower than it was a year ago.

Most facets of the economy are simultaneously expanding. All but one of the major industry groups in the private sector have grown for at least three of the past four months. The lone exception is construction, which continues to trend downward. This industry currently has no more jobs than it did in 1986, despite a rebound this spring in home sales and building permits. The office and public sides of the business are weak. Job gains in manufacturing, services and a surprisingly renewed surge in trade more than offset flaccid construction activity.

Adding it all up, Minnesota now has 11,000 more jobs than it did last year this time. That is a growth rate of less than one percent, placing Minnesota well ahead of the 1.6% U.S. decline over the past year, but ranking it only 20th among states. A lot of small states have done well lately. In general, our neighbors have grown at virtually the same rate as Minnesota, and have also seen their unemployment rates hovering at year-ago levels. South Dakota has been the exception, adding jobs at a 2.5% clip and seeing a consistent drop in its unemployment rate. To find the top performers, you have to go farther south and west. Nebraska, at one-third the size of Minnesota, has added three times the number of jobs in the past year. Idaho and Utah have also been unfazed by the recession that is decimating employment along the nation's Eastern Seaboard.

By Don Hilber

Current Labor Force Series

	Minnesota (In Thousands)			% Change From		United States (In Thousands)			% Change From	
	Jul 91	Jun 91	Jul 90	Jun 91	Jul 90	Jul 91	Jun 91	Jul 90	Jun 91	Jul 90
Labor Force	2502.0	2498.7	2443.1	0.1	2.4	127,327	127,054	126,899	0.2	0.3
Employment	2392.8	2379.8	2322.4	0.6	3.0	118,751	118,280	119,954	0.4	-1.0
Unemployment	109.1	118.9	120.6	-8.2	-8.5	8,576	8,774	6,945	-2.3	23.5
Actual Unemp. Rate	4.4	4.8	4.9	-	-	6.7	6.9	5.5	-	-
Seasonally Adj. Rate	-	-	-	-	-	7.0	6.9	5.3	-	-

Minnesota Nonfarm Wage & Salary Jobs, Hours & Earnings

INDUSTRY	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS & HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	July 1991	June 1991	July 1990	June 1991	July 1990	July 1991	July 1990	July 1991	July 1990	July 1991	July 1990
Total Nonfarm Wage and Salary	2,144.7	2,171.0	2,133.6	-1.2	0.5	-	-	-	-	-	-
Goods Producing	493.7	489.5	504.3	0.8	-2.1	-	-	-	-	-	-
Mining	9.0	9.0	9.0	-0.4	0.1	659.82	629.72	43.9	43.7	15.03	14.41
Metal Mining	6.5	6.6	6.7	-2.2	-2.7	685.68	644.34	42.3	42.7	16.21	15.09
Construction	85.4	83.1	91.0	2.7	-6.1	696.35	666.25	41.4	40.6	16.82	16.41
Manufacturing	399.3	397.4	404.4	0.5	-1.2	459.29	448.32	39.8	40.1	11.54	11.18
Durable Goods	223.9	224.1	232.1	-0.1	-3.5	478.34	460.23	40.4	40.3	11.84	11.42
Lumber and Furniture	23.8	23.6	23.6	1.0	1.0	500.13	495.62	38.8	38.6	12.89	12.84
Stone, Clay and Glass	9.1	8.9	9.5	1.3	-4.3	512.90	510.51	42.6	43.3	12.04	11.79
Primary Metals	6.1	6.2	6.4	-0.5	-4.2	482.36	436.36	40.5	39.1	11.91	11.16
Fabricated Metals	33.5	33.6	34.7	-0.3	-3.4	508.82	481.22	41.3	41.7	12.32	11.54
Industrial Machinery	72.6	73.3	76.9	-1.0	-5.6	519.47	480.40	40.3	40.0	12.89	12.01
Office and Computing	32.4	32.6	34.1	-0.7	-5.1	552.50	517.72	42.5	43.0	13.00	12.04
Electronic Equipment	29.5	29.5	30.4	0.1	-2.8	392.89	395.04	41.4	40.6	9.49	9.73
Transportation Equipment	10.5	10.6	11.6	-0.9	-8.8	474.08	484.79	38.7	41.4	12.25	11.71
Instruments and Related	32.9	32.5	32.8	1.2	0.2	444.40	428.16	40.4	40.7	11.00	10.52
Misc. Manufacturing	5.8	5.9	6.2	-0.7	-6.6	370.85	398.89	36.9	36.9	10.05	10.81
Nondurable Goods	175.5	173.3	172.3	1.2	1.8	436.75	433.02	39.1	39.8	11.17	10.88
Food & Beverage Products	54.4	52.4	51.4	3.8	5.8	387.48	390.05	39.1	40.8	9.91	9.56
Textiles & Apparel	4.9	4.9	4.9	-1.1	-0.8	291.51	280.90	35.9	33.6	8.12	8.36
Paper Products	35.3	35.4	34.7	-0.3	1.7	569.50	554.55	42.5	42.3	13.40	13.11
Printing and Publishing	52.3	52.4	52.4	-0.2	-0.3	411.32	430.90	36.4	38.2	11.30	11.28
Chemicals and Petroleum	11.6	11.3	11.9	1.9	-3.0	585.48	535.87	40.8	41.0	14.35	13.07
Rubber, Plastic & Leather	17.1	16.9	17.0	1.2	0.5	412.70	371.71	40.5	38.4	10.19	9.68
Service Producing	1,651.0	1,681.5	1,629.3	-1.8	1.3	-	-	-	-	-	-
Transp., Comm., & Util.	107.6	109.4	108.1	-1.7	-0.4	-	-	-	-	-	-
Transportation	72.9	74.8	73.0	-2.5	-0.2	-	-	-	-	-	-
Trucking & Warehousing	27.8	27.7	28.1	0.6	-0.9	384.20	437.35	31.7	35.1	12.12	12.46
Communication & Utilities	34.7	34.6	35.1	0.2	-1.0	648.76	636.01	39.2	39.9	16.55	15.94
Trade	524.1	524.6	524.0	-0.1	0.0	252.78	242.91	29.6	30.1	8.54	8.07
Wholesale	128.8	127.5	128.3	1.0	0.4	427.89	416.59	37.6	37.7	11.38	11.05
Retail	395.3	397.0	395.8	-0.4	-0.1	200.74	192.51	27.2	27.9	7.38	6.90
Building Materials	18.6	18.8	18.8	-1.4	-1.1	331.78	345.71	38.4	37.7	8.64	9.17
General Merchandise	53.6	53.6	55.4	0.0	-3.4	200.56	186.12	26.6	26.4	7.54	7.05
Food Stores	57.1	56.3	55.4	0.3	3.0	227.86	202.77	28.2	28.6	8.08	7.09
Automotive	44.0	44.1	44.0	-0.2	-0.1	301.89	300.46	34.7	35.6	8.70	8.44
Apparel	19.8	19.6	19.9	0.6	-0.5	130.42	131.57	21.7	22.3	6.01	5.90
Home Furnishings	14.9	15.0	15.3	-0.9	-2.8	284.23	282.00	31.9	31.9	8.91	8.84
Eating and Drinking	136.7	138.0	136.8	-0.9	-0.1	132.34	126.64	23.3	24.4	5.68	5.19
Fin., Insur., Real Estate	127.6	127.2	125.5	0.4	1.7						
Finance	58.2	57.7	56.5	1.0	3.0						
Insurance	47.3	47.4	47.1	-0.2	0.4						
Real Estate	22.2	22.2	21.9	0.0	1.0						
Services	574 4	572.8	556.2	0.3	3.3						
Personal Services	24.7	25.3	24.4	-2.2	1.2						
Business Services	96.0	95.7	95.3	0.3	0.7						
Repair Services	23.6	23.7	23.4	-0.3	1.0						
Health Services	175.4	173.4	168.7	1.1	4.0						
Nursing Homes	44.5	44.1	43.9	0.8	1.3						
Hospitals	58.7	58.1	56.6	0.9	3.6						
Legal Services	16.5	16.5	16.0	0.5	3.3						
Private Education	25.3	26.6	24.7	-5.0	2.4						
Government	317.2	347.5	315.5	-8.7	0.5						
Federal	34.5	34.4	36.8	0.3	-6.1						
State	72.6	79.4	73.2	-8.6	-0.8						
Education	34.9	41.7	35.4	-16.2	-1.3						
Local	210.0	233.6	205.5	-10.1	2.2						
Education	95.6	121.3	93.4	-21.2	2.4						

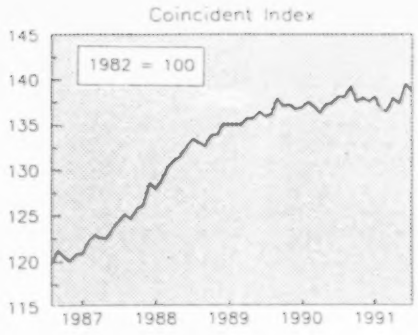
Note: Not all industry sub-groups are shown for every major industry category.

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

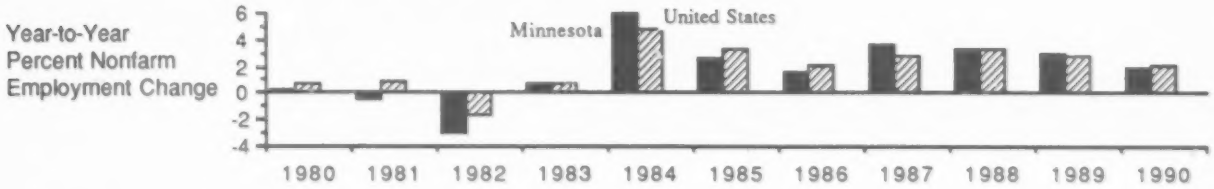
Economic Indicators

Minnesota's **coincident index** fell in July after rising in each of the previous months. A single-month dip is little reason for concern, however. In all past economic recovery years--1971, 1975 and 1983--it paused for a month before resuming its upward trek. This index combines and tracks three components of the economy: wage & salary jobs, retail sales and manufacturing hours. More detail is published monthly in *Minnesota Economic Indicators*, available by calling (612) 296-6545.



YR	MONTH	COINCIDENT INDEX
1990	JUL	137.9
	AUG	137.9
	SEP	139.0
	OCT	137.4
	NOV	137.8
	DEC	137.4
1991	JAN	137.9
	FEB	136.4
	MAR	136.3
	APR	137.7
	MAY	137.2
	JUN	139.3
	JUL	138.5
% Change from Month		-0.6%
Year		0.4%

Historical Labor Force and Payroll Job Series

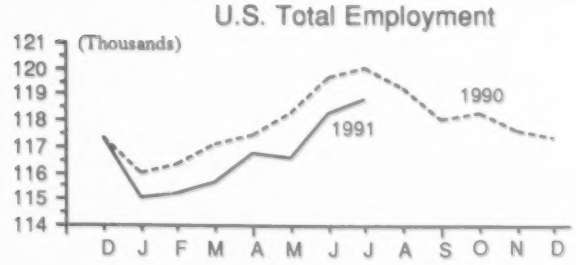


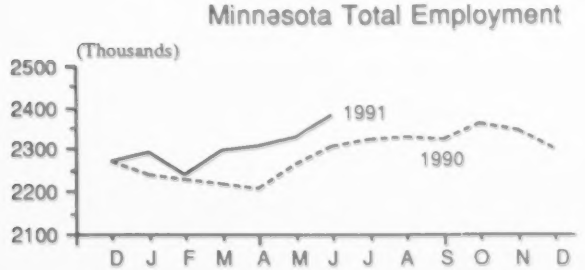
Historical Labor Force and Nonfarm Payroll Series

	(In Thousands)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Mn	Labor Force	2110.0	2154.0	2167.0	2176.0	2227.0	2233.0	2230.0	2259.0	2327.0	2343.0	2404.3
	Employment	1985.0	2035.0	1998.0	1998.0	2086.0	2091.0	2111.0	2137.0	2233.0	2241.0	2287.9
	Nonfarm Payroll*	1770.0	1761.3	1707.3	1718.2	1819.8	1865.4	1893.9	1962.5	2028.0	2086.8	2126.4
	Unemployment	125.0	119.0	170.0	178.0	1451.0	133.0	119.0	122.0	94.0	102.0	116.4
	Unemployment Rate	5.9	5.5	7.8	8.2	6.3	6.0	5.3	5.4	4.0	4.4	4.8
U.S.	Labor Force	106940	108670	110205	111550	113544	115461	117835	119865	121669	123869	124787
	Employment	99303	100397	99526	100834	105005	107150	109598	112440	114968	117342	117914
	Nonfarm Payroll*	90406	91156	89566	90200	94496	97519	99525	102200	105536	108413	110330
	Unemployment	7637	8273	10678	10717	8539	8312	8237	7425	6700	6528	6874
	Unemployment Rate	7.1	7.6	9.7	9.6	7.5	7.2	7.0	6.2	5.5	5.3	5.5

* Total employment is an estimate of the number of working Minnesotans; nonfarm payroll jobs are establishment based and reflect multiple job holding..

Total Employment & Unemployment Rates, 1990 & 1991





The Job Market - Regional Worker Job Shortages and Surplusses

A **worker shortage** exists when an occupation is difficult to fill or there are few qualified applicants. A **worker surplus** exists when there is a sizable excess of qualified applicants. A # after a job indicates that the shortage has persisted for at least two of the last three quarters.

Worker Shortage
food service workers#, medical (RN, LPN, aides)#, truck drivers (over the road)

Worker Surplus
construction laborers#, clerical (inexperienced)#

Worker Shortage
medical (RN, LPN, aides)#, food service worker

Worker Surplus
clerical (inexperienced)#, construction laborers#, general laborers#

Worker Shortage
medical (RN, LPN, aides)#, machinist (CNC)

Worker Surplus
electronic assembler, clerical (inexperienced)#, retail sales clerks

Worker Shortage
food service workers#, medical (RN, LPN, aides)# truck drivers (over the road)#

Worker Surplus
clerical (inexperienced)#, production laborers#

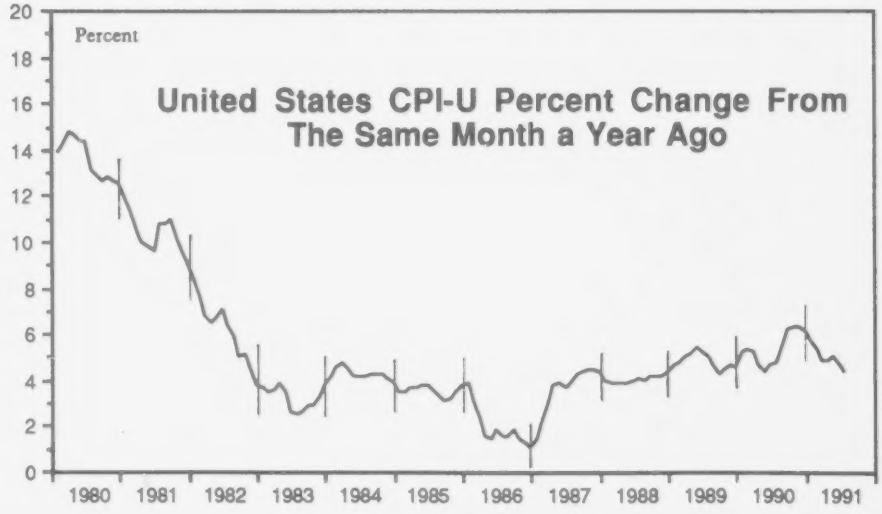
Worker Shortage
food service workers#, medical (RN, LPN, aides)#, clerical (experienced

Worker Surplus
electronics technicians#, electronic assemblers#, engineers#

Consumer Price Indexes (CPI-U)

CPI-U % Change From a Year Ago

	U.S.	Twin Cities
1990		
Aug	5.6	
Sep	6.2	2nd
Oct	6.3	Half
Nov	6.3	Av.
Dec	6.1	3.8
A.A.	5.4	4.1
1991		
Jan	5.7	
Feb	5.3	1st
Mar	4.9	Half
Apr	4.9	Av.
May	5.0	3.1
Jun	4.7	
Jul	4.4	
Aug	3.8	

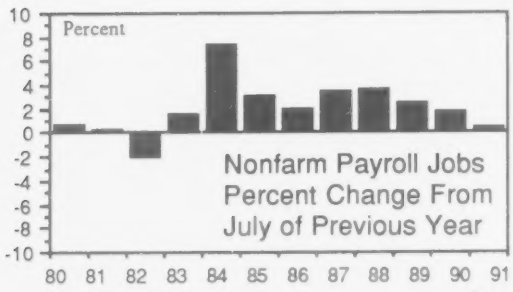


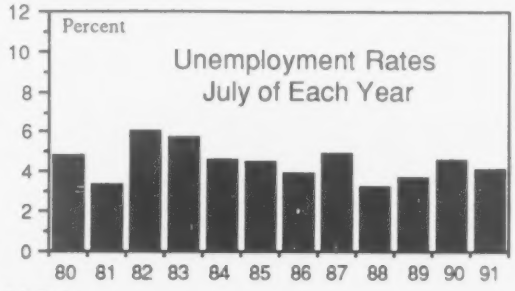
Twin Cities CPI data, which is available only for the first and second half of each year, is considered to be less reliable than the series for the U.S. For gauging state price changes the US CPI is best. Both the U.S and Twin Cities indexes (CPI-W and CPI-U) are available by calling (612) 296-6545.

Areas of the State

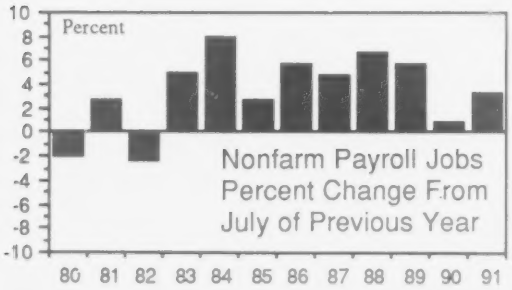
Nonfarm Jobs & Unemployment Rates for MN Metro Areas

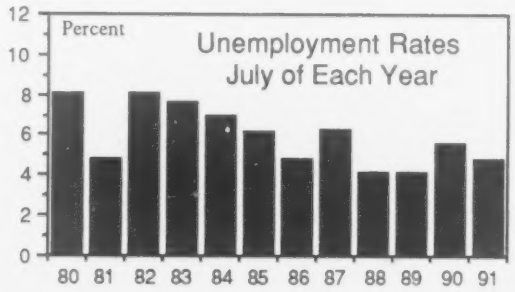
Minneapolis-St. Paul MSA



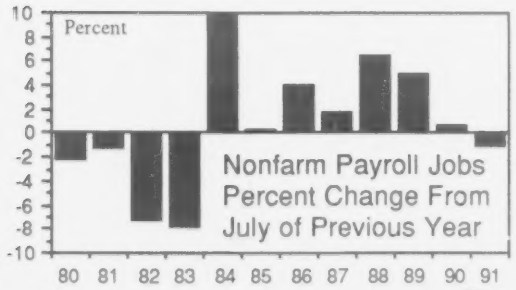


St. Cloud MSA

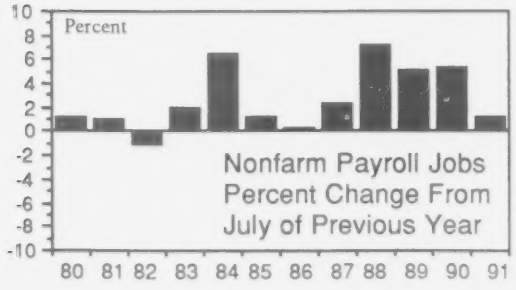


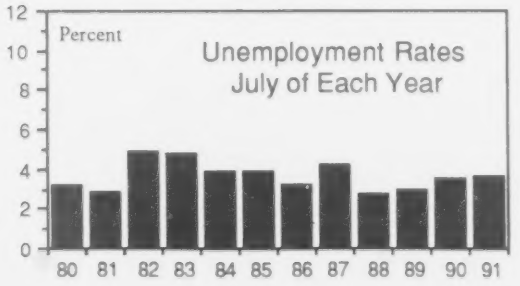


Duluth City



Rochester MSA





Minneapolis-St. Paul MSA

Met Area Unemployment Rate Continues Downward Trend

The unemployment rate for the Minneapolis-St. Paul metropolitan area dropped in July to 4.1%, a decrease of 0.4 of a percentage point from the June figure. It was the second consecutive monthly decrease and the fourth time in the past five months that the metro area unemployment rate has dropped.

The magnitude of this change nearly matched the 10-year average June to July change of 0.5 percentage point. This indicates that most of the improvement is probably due to seasonal factors. Nevertheless, the string of monthly declines in the rate is definitely a positive sign that the recession is over.

Another positive sign with regard to labor market conditions in the Twin Cities, as well as Minnesota in general, is that the declining unemployment rate has been caused by increased employment rather than a shrinking labor force as has recently been the case nationally.

During the first seven months of 1991, the unemployment rate declined in the U.S. and metro area, but the nation's labor force has grown by only an average of 0.4% over the year while the Twin Cities labor force has expanded by an average of 1.7%. Nationally, the number of employed people has decreased by an average of 1.0%, and the number of jobs on establishment payrolls is down by 0.9%. In the Twin City metro area, the number of employed residents is up by 1.3% and the number of wage and salary jobs is also up, although just barely (0.1%), compared to last year.

The July survey of firms showed improvement in the local job market for the fourth consecutive month. Again this month there was strength in the service sector, particularly health services. Trade industries showed only a modest increase in actual terms. Nevertheless, this was a turn-around from past history which has seen the number of trade industry jobs drop by an average of 0.6% between June and July.

July data suggested very little change in the goods producing sector. Construction employment increased less than usual while manufacturing was basically unchanged. Both of these sectors may be rather slow growing compared to previous economic recoveries. Because of productivity improvements and the use of temporary employees, manufacturers can produce more with fewer workers than in the early 1980s. The construction industry has its own cycle. At present, several major projects are nearing completion and there is a surplus of office space. New residential construction has shown some rejuvination, but is below levels of several years ago.

In summary, while the demand for labor has improved in recent months, the local labor market remains very competitive. The labor force grows strongly, perhaps as people move into the area from parts of the U.S. harder hit by the recession. Indicators of job demand, such as the Conference Board Help Wanted Index and Job Service openings received are showing improvement, but are still running at levels 25-33% below last year and at the lowest levels since 1983. This indicates that the supply of labor is readily available and employers are not needing to advertise for help to a significant degree.

By Bruce Steuernagel

LABOR FORCE DATA

	Employment			Unemployment			Unemp. Rate		
	July 1991	June 1991	July 1990	July 1991	June 1991	July 1990	July 1991	June 1991	July 1990
Mpls-St. Paul	1,388,829	1,371,661	1,374,973	59,630	64,876	66,478	4.1	4.5	4.6
REGION 11	1,304,152	1,288,549	1,290,515	55,828	60,582	62,438	4.1	4.5	4.6
Anoka	134,126	132,521	132,723	6,495	7,192	7,026	4.6	5.1	5.0
Carver	24,992	24,693	24,730	953	1,024	1,100	3.7	4.0	4.3
Dakota	146,881	145,123	145,345	6,216	6,843	6,432	4.1	4.5	4.2
Hennepin	617,071	609,686	610,619	27,035	29,010	30,441	4.2	4.5	4.7
Ramsey	275,945	272,644	273,060	11,074	12,025	12,996	3.9	4.2	4.5
Scott	29,548	29,195	29,239	1,262	1,488	1,286	4.1	4.8	4.2
Washington	75,589	74,685	74,799	2,793	3,000	3,157	3.6	3.9	4.0
Chisago	14,419	14,247	14,269	665	808	951	4.4	5.4	6.2
Isanti	12,209	12,063	12,082	688	824	701	5.3	6.4	5.5
Wright	33,395	32,995	33,046	1,768	1,879	1,748	5.0	5.4	5.0
St. Croix, WI	24,655	23,807	25,062	680	783	641	2.7	3.2	2.5
Bloomington	57,850	57,158	57,246	2,446	2,604	2,843	4.1	4.4	4.7
Minneapolis	203,498	201,063	201,370	10,265	10,846	11,627	4.8	5.1	5.5
St. Paul	142,277	140,575	140,790	7,036	7,495	8,176	4.7	5.1	5.5

Twin Cities Nonfarm Wage & Salary Jobs, Hours & Earnings

INDUSTRY	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS & HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	July 1991	June 1991	July 1990	June 1991	July 1990	July 1991	July 1990	July 1991	July 1990	July 1991	July 1990
Total Nonfarm Wage and Salary	1,379.9	1,393.1	1,374.2	-0.9	0.4	-	-	-	-	-	-
Goods Producing	308.9	307.5	318.2	0.4	-2.9	-	-	-	-	-	-
Mining	0.6	0.6	0.7	0.0	-11.5	681.30	763.65	40.1	45.7	16.99	16.71
Construction	51.9	50.9	55.2	1.9	-5.9	749.20	699.66	40.0	39.0	18.73	17.94
Manufacturing	256.4	256.0	262.3	0.1	-2.3	484.34	470.44	39.7	39.8	12.20	11.82
Durable Goods	149.4	149.5	156.1	0.0	-4.3	500.85	481.19	40.1	39.9	12.49	12.06
Lumber and Furniture	10.0	9.9	10.0	0.7	-0.3	531.74	554.84	37.9	38.8	14.03	14.30
Stone, Clay and Glass	2.9	2.9	3.1	-0.2	-5.8	473.58	543.82	38.1	41.8	12.43	13.01
Primary Metals	4.5	4.5	4.6	-0.7	-2.7	478.78	435.37	40.2	40.2	11.91	10.83
Fabricated Metals	25.2	25.2	26.0	-0.3	-3.3	531.12	493.27	41.3	40.8	12.86	12.09
Industrial Machinery	50.3	50.8	53.8	-0.8	-6.3	533.60	506.18	40.0	39.7	13.34	12.75
Office and Computing	20.7	20.8	22.4	-0.5	-7.6	602.57	575.74	39.8	41.6	15.14	13.84
Electronic Equipment	18.1	18.0	18.9	0.4	-4.5	419.99	387.16	40.5	38.6	10.37	10.03
Transportation Equipment	4.8	4.9	5.8	-0.7	-16.2	669.56	607.55	41.9	39.4	15.98	15.42
Instruments and Related	29.7	29.4	29.7	1.3	0.2	460.89	453.06	40.5	41.3	11.38	10.97
Misc. Manufacturing	3.9	3.9	4.3	-0.5	-8.6	415.21	446.27	36.2	36.7	11.47	12.16
Nondurable Goods	106.9	106.5	106.2	0.4	0.7	464.92	456.95	39.3	39.7	11.83	11.51
Food & Beverage Products	19.4	19.0	18.6	2.1	4.0	467.78	481.77	40.5	42.9	11.55	11.23
Paper Products	26.6	26.7	26.4	-0.4	0.8	505.53	491.18	41.0	41.0	12.33	11.98
Printing and Publishing	37.6	37.6	37.3	-0.2	0.8	425.41	437.37	36.8	37.9	11.56	11.54
Chemicals and Petroleum	10.1	9.9	10.1	1.6	-0.6	613.76	577.53	40.7	40.5	15.08	14.26
Rubber and Plastic	11.2	11.1	11.1	0.4	0.3	441.63	396.24	41.9	39.0	10.54	10.16
Service Producing	1,071.1	1,085.6	1,056.0	-1.3	1.4	-	-	-	-	-	-
Transp. Comm., & Util.	75.5	76.4	76.6	-1.2	-1.5	-	-	-	-	-	-
Transportation	54.0	55.0	54.8	-1.9	-1.5	-	-	-	-	-	-
Trucking & Warehousing	17.0	16.8	17.8	1.1	-4.6	365.40	425.43	28.0	32.7	13.05	13.01
Communication & Utilities	21.5	21.4	21.8	0.5	-1.5	640.30	632.40	39.5	40.0	16.21	15.81
Trade	332.1	331.7	331.7	0.1	0.1	284.10	275.73	30.0	30.2	9.47	9.13
Wholesale	85.9	84.5	85.0	1.6	1.1	479.25	466.93	37.5	37.9	12.78	12.32
Retail	246.2	247.1	246.7	-0.4	-0.2	223.82	216.84	27.7	27.8	8.08	7.80
Building Materials	10.8	11.0	10.9	-1.8	-0.4	403.13	418.73	38.8	38.7	10.39	10.82
General Merchandise	37.8	37.7	39.2	0.3	-3.5	217.01	204.07	26.4	26.4	8.22	7.73
Food Stores	31.1	30.8	30.1	0.9	3.3	281.74	273.56	30.1	30.6	9.36	8.94
Automotive	25.7	25.6	25.3	0.4	1.3	351.00	332.15	37.5	35.6	9.36	9.33
Apparel	13.2	13.2	13.2	0.4	-0.1	126.84	129.68	21.0	21.4	6.04	6.06
Home Furnishings	10.1	10.2	10.6	-1.0	-4.9	327.29	347.32	31.2	33.3	10.49	10.43
Eating and Drinking	85.7	86.7	86.1	-1.1	-0.4	147.56	141.37	23.8	23.8	6.20	5.94
Fin., Insur., Real Estate	99.0	99.2	97.7	-0.2	1.3						
Finance	42.1	41.7	40.9	1.1	3.1						
Insurance	38.9	39.5	39.2	-1.7	-0.8						
Real Estate	18.0	18.0	17.7	0.0	1.8						
Services	385.4	384.2	372.3	0.3	3.5						
Personal Services	17.4	17.8	17.4	-2.4	0.0						
Business Services	82.4	82.2	81.8	0.3	0.7						
Repair Services	17.3	17.3	17.3	-0.3	0.0						
Health Services	99.3	98.2	95.2	1.1	4.3						
Nursing Homes	23.2	22.8	22.9	1.4	1.3						
Hospitals	34.6	34.4	33.7	0.6	2.7						
Legal Services	13.7	13.6	13.0	0.4	5.3						
Private Education	15.2	15.8	15.0	-3.9	1.6						
Government	179.1	194.1	177.7	-7.7	0.8						
Federal	21.4	21.4	22.8	0.1	-6.2						
State	48.6	54.5	48.9	-10.8	-0.7						
Education	24.9	30.6	25.0	-18.5	-0.3						
Local	109.1	118.2	106.0	-7.7	2.9						
Education	51.6	61.6	50.4	-16.2	2.4						

Note: Not all industry sub-groups are shown for every major industry category.

1/ Totals may not add because of roundings.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Southern Minnesota

LABOR FORCE DATA	Employment			Unemployment			Unemp. Rate		
	July 1991	June 1991	July 1990	July 1991	June 1991	July 1990	July 1991	June 1991	July 1990
REGION 6W	26,931	26,978	24,235	909	1,022	963	3.3	3.7	3.8
Big Stone	3,188	3,148	2,875	94	99	108	2.9	3.0	3.6
Chippewa	7,900	7,690	6,787	286	299	294	3.5	3.7	4.2
Lac Qui Parle	4,590	4,617	4,084	115	140	142	2.4	2.9	3.4
Swift	5,036	5,226	4,757	228	267	229	4.3	4.9	4.6
Yellow Med.	6,217	6,297	5,732	186	217	190	2.9	3.3	3.2
REGION 8	67,234	68,356	60,853	2,290	2,437	2,816	3.3	3.4	4.4
Cottonwood	6,139	6,419	5,854	435	378	447	6.6	5.6	7.1
Jackson	6,238	6,205	5,460	289	307	335	4.4	4.7	5.8
Lincoln	3,671	3,743	3,151	120	142	132	3.2	3.7	4.0
Lyon	13,936	13,955	12,446	412	445	455	2.9	3.1	3.5
Murray	5,605	5,531	4,921	190	155	231	3.3	2.7	4.5
Nobles	12,733	13,028	11,769	356	396	401	2.7	2.9	3.3
Pipestone	5,321	5,599	5,001	159	191	384	2.9	3.3	7.1
Redwood	8,193	8,384	7,450	214	274	276	2.5	3.2	3.6
Rock	5,398	5,492	4,801	115	149	155	2.1	2.6	3.1
REGION 9	119,070	119,927	111,793	4,633	5,202	4,521	3.7	4.2	3.9
Blue Earth	28,903	29,337	27,875	858	1,026	927	2.9	3.4	3.2
Brown	15,842	15,387	14,355	552	555	578	3.4	3.5	3.9
Faribault	8,765	8,732	7,919	381	461	326	4.2	5.0	4.0
LeSueur	12,012	12,427	11,435	646	719	617	5.1	5.5	5.1
Martin	12,498	12,549	12,137	723	867	509	5.5	6.5	4.0
Nicollet	15,778	16,015	15,217	490	548	541	3.0	3.3	3.4
Sibley	7,695	7,789	6,957	264	306	337	3.3	3.8	4.7
Waseca	11,099	10,994	9,922	398	391	434	3.5	3.4	4.2
Watonwan	6,478	6,697	6,076	321	329	252	4.7	4.7	4.0
REGION 10	236,114	237,468	225,110	9,669	9,920	10,867	3.9	4.0	4.6
Dodge	8,245	8,442	8,904	357	408	455	4.2	4.6	4.9
Fillmore	11,037	11,199	9,443	509	556	488	4.4	4.7	4.9
Freeborn	16,277	16,724	14,994	833	938	2,162	4.9	5.3	12.6
Goodhue	22,911	22,670	21,527	827	826	913	3.5	3.5	4.1
Houston	10,067	10,199	9,423	367	406	332	3.5	3.8	3.4
Mower	18,831	19,154	17,765	624	677	753	3.2	3.4	4.1
Olmsted	66,662	65,548	64,876	2,491	2,204	2,341	3.6	3.3	3.5
Rice	29,314	29,479	27,835	1,216	1,287	1,044	4.0	4.2	3.6
Steele	16,888	17,176	16,398	663	740	634	3.8	4.1	3.7
Wabasha	9,605	9,686	8,678	470	528	429	4.7	5.2	4.7
Winona	26,277	27,191	25,267	1,312	1,350	1,316	4.8	4.7	5.0
Rochester Cty	41,474	40,781	40,363	1,910	1,683	1,726	4.4	4.0	4.1

ROCHESTER MSA NONFARM WAGE & SALARY EMPLOYMENT	Employment			% Change From	
Industry	July 1991	June 1991	July 1990	Month Ago	Year Ago
Total Nonfarm Wage and Salary	67,767	68,051	66,994	-0.4	1.2
Goods Producing	14,721	14,645	15,040	0.5	-2.1
Construction and Mining	2,458	2,417	2,498	1.7	-1.6
Manufacturing	12,263	12,228	12,542	0.3	-2.2
Durable Goods	10,001	10,072	10,421	-0.7	-4.0
Nondurable Goods	2,262	2,156	2,121	4.9	6.6
Service Producing	53,046	53,406	51,954	-0.7	2.1
Transp., Comm., & Util.	1,926	1,936	1,921	-0.5	0.3
Trade	13,594	13,599	13,700	0.0	-0.8
Wholesale	1,659	1,665	1,634	-0.4	1.5
Retail	11,935	11,934	12,066	0.0	-1.1
Finan., Insur., & Re. Estate	1,797	1,811	1,814	-0.8	-0.9
Services	29,754	29,177	28,642	2.0	3.9
Health	20,315	19,661	19,562	3.3	3.8
Other Services	9,439	9,516	9,080	-0.8	4.0
Government	5,975	6,883	5,877	-13.2	1.7

Southern Minnesota's Falling Unemployment Rates Not Shared By The Rochester MSA

While unemployment rates fell in every region of Southern Minnesota over the month and year, they rose slightly in the Rochester MSA, from 3.5% in July 1990 and 3.3% in June, to 3.6% this July. Unless it is a blip caused by sampling error, except for February when the MSA's rate was 3.7%, it was the highest rate of the year. Before any alarms sound, however, it should be mentioned that unlike most areas of the state, where unemployment rates dip in the summer, the MSA's rates commonly are near their highest. Also, the Rochester MSA unemployment rate is one of the lowest in the state.

As if to substantiate the MSA's health, the number of jobs rose to an all-time high at 66,662 in July, 1,115 more than in June, and 1,786 more than in July 1990. Although employment dropped slightly over the month in all regions, it was substantially above last July's levels.

Except for the closing of school which was largely responsible for the 13.2% cut in government workers, there were few industry employment shifts in the MSA over the month. Nondurable goods producers grew about 5%, but it netted only 106 new jobs.

Over the year, nonfarm payroll jobs (an establishment-based estimate) rose a modest 1.2% in the MSA. Except for the above mentioned surge in nondurable goods manufacturing jobs, all other goods producing industries lost jobs.

The industry that bore the brunt of the job creating chore was services -- both medical and other services. Combined they added 1,112 jobs to net the MSA its 773 additional nonfarm payroll jobs over the year.

By Ron Daws

Central and Northwest Minnesota

Labor Force Data

	Employment			Unemployment			Unemp. Rate		
	July 1991	June 1991	July 1990	July 1991	June 1991	July 1990	July 1991	June 1991	July 1990
REGION 1	44,956	44,975	41,586	3,027	3,297	3,321	6.3	6.8	7.4
Kittson	2,783	2,880	2,387	165	170	211	5.6	5.6	8.1
Marshall	5,115	5,057	4,511	531	577	565	9.4	10.2	11.1
Norman	3,966	3,810	3,613	233	261	246	5.5	6.4	6.4
Pennington	6,799	6,833	6,513	487	575	460	6.7	7.8	6.6
Polk	15,152	15,140	13,911	1,086	1,155	1,293	6.7	7.1	8.5
Red Lake	1,594	1,619	1,412	228	246	276	12.5	13.2	16.4
Roseau	9,547	9,636	9,239	297	313	270	3.0	3.1	2.8
REGION 2	32,639	33,745	30,196	2,056	2,405	2,365	5.9	6.7	7.1
Beltrami	16,645	17,582	15,424	936	1,100	1,005	5.3	5.9	5.9
Clearwater	3,446	3,403	3,271	432	513	423	11.1	13.1	11.5
Hubbard	7,717	7,834	7,531	443	498	630	5.4	6.0	7.7
Lake of Woods	2,417	2,431	2,054	47	53	91	1.9	2.1	4.2
Mahnomen	2,414	2,495	2,116	198	241	216	7.6	8.8	9.3
REGION 4	103,972	104,805	98,318	4,323	4,728	4,849	4.0	4.3	4.7
Becker	14,617	14,802	14,044	751	948	947	4.9	6.0	6.3
Clay	25,778	25,489	25,095	1,130	1,060	1,008	4.2	4.0	3.9
Douglas	16,308	16,402	15,332	568	683	673	3.4	4.0	4.2
Grant	3,204	3,357	2,872	139	137	196	4.2	3.9	6.4
Otter Tail	27,705	27,915	25,824	1,147	1,270	1,318	4.0	4.4	4.9
Pope	5,079	5,128	4,690	233	266	302	4.4	4.9	6.0
Stevens	5,431	5,813	4,956	115	104	151	2.1	1.8	3.0
Traverse	2,294	2,350	2,164	73	90	84	3.1	3.7	3.7
Wilkin	3,556	3,549	3,341	167	170	170	4.5	4.6	4.8
REGION 5	66,133	66,630	61,160	3,748	4,272	4,944	5.4	6.0	7.5
Cass	10,506	10,420	9,165	671	787	775	6.0	7.0	7.8
Crow Wing	23,948	24,419	22,539	1,007	1,233	1,299	4.0	4.8	5.4
Morrison	14,732	14,974	14,149	1,050	1,180	1,476	6.7	7.3	9.4
Todd	11,629	11,687	10,638	674	709	941	5.5	5.7	8.1
Wadena	5,318	5,130	4,669	346	363	453	6.1	6.6	8.8
REGION 6E	61,561	60,145	56,318	2,792	2,938	2,876	4.3	4.7	4.9
Kandiyohi	22,253	22,063	20,398	794	834	753	3.4	3.6	3.6
McLeod	18,727	18,553	17,234	768	805	891	3.9	4.2	4.9
Meeker	9,293	9,295	8,515	774	849	639	7.7	8.4	7.0
Renville	11,288	10,234	10,171	456	450	593	3.9	4.2	5.5
REGION 7E	53,652	53,271	52,362	3,064	3,656	3,539	5.4	6.4	6.3
Chisago	14,419	14,247	14,269	665	808	951	4.4	5.4	6.2
Isanti	12,209	12,063	12,082	688	824	701	5.3	6.4	5.5
Kanabec	5,875	5,813	5,444	481	562	563	7.6	8.8	9.4
Mille Lacs	10,735	10,787	10,288	557	673	565	4.9	5.9	5.2
Pine	10,414	10,361	10,279	673	789	759	6.1	7.1	6.9
REGION 7W	133,605	132,239	127,092	6,794	7,704	7,306	4.8	5.5	5.4
Benton	15,804	15,652	14,832	878	968	1,025	5.3	5.8	6.5
Sherburne	19,423	19,235	18,228	1,193	1,324	1,219	5.8	6.4	6.3
Stearns	64,983	64,357	60,986	2,955	3,533	3,314	4.3	5.2	5.2
Wright	33,395	32,995	33,046	1,768	1,879	1,748	5.0	5.4	5.0
St. Cloud MSA	100,210	99,244	94,046	5,025	5,824	5,556	4.8	5.5	5.6

St. Cloud MSA Nonfarm Payroll Jobs

Industry	Employment			% Change From	
	July 1991	June 1991	July 1990	Month Ago	Year Ago
Total Nonfarm Wage and Salary	78,624	79,624	76,234	-1.3	3.1
Goods Producing	19,404	19,060	19,389	1.8	0.1
Construction and Mining	3,753	3,600	4,460	4.3	-15.9
Manufacturing	15,651	15,460	14,929	1.2	4.8
Durable Goods	9,097	8,998	8,531	1.1	6.6
Nondurable Goods	6,554	6,462	6,398	1.4	2.4
Service Producing	59,220	60,564	56,845	-2.2	4.2
Transp., Comm., & Util.	4,203	4,192	3,917	0.3	7.3
Trade	23,505	23,623	22,873	-0.5	2.8
Wholesale	3,727	3,716	3,804	0.3	-2.0
Retail	19,778	19,907	19,069	-0.6	3.7
Finan., Insur., & Re. Estate	2,576	2,551	2,425	1.0	6.2
Services	17,842	17,841	17,283	0.0	3.2
Health	6,323	6,325	5,802	0.0	9.0
Other Services	11,519	11,516	11,481	0.0	0.3
Government	11,094	12,357	10,347	-10.2	7.2

Employment In The St. Cloud MSA Surpasses 100 Thousand For The First Time In July

While employment in the northern regions dropped slightly over the month, it rose in the central Regions of 6E, 7E, and 7W. In the St.Cloud MSA employment rose from 99,204 in June to 100,210 in July to pass the 100 thousand mark for the first time. It means the MSA had nearly 6,200 more jobs than it did last July.

Meanwhile, unemployment rates dropped in every region over the month. And they were even further below last years' as recovery from what has turned out to be a mild recession continues. In the St. Cloud MSA where employment gains were especially strong, the unemployment rate dropped from 5.5% in June to 4.8%, bringing it below the 5.6% of July 1990. During July 1988 and 1987, the rate was 4.1% and 4.2% respectively suggesting that job creation still isn't fast enough to satisfy everyone seeking work.

The St. Cloud MSA's over-the-year job gains were largely attributable to health services (up 9.0%), government (up 7.2%) , and durable goods manufacturing (up 6.6%). Smaller sectors like transportation/communication/public utilities and finance/ insurance/real estate also grew substantially over the year.

Construction/ mining jobs were down nearly 16% over the year, a much sharper cutback than experienced statewide. The bright sign was that retail trade employment was 3.7% higher than it was a year ago although it dropped slightly over the month. Perhaps consumer confidence is returning.

By Ron Daws

Northeast Minnesota

Unemployment Rates Continue To Fall As Employment Levels Creep Upward

Employment levels in Region 3 continue to edge upward while unemployment subsides as the effects of what sems to be a mild and short-lived recession continue to dwindle.

Region 3's unemployment rate dropped from 7.0% in June to 6.5% in July to return to the same rate it was in July 1990. Duluth's 5.3% in July was the lowest it has been in July since 1986 when it was 4.8%. During the first two months of 1991, Duluth's unemployment rate averaged 0.8 percentage points above the same months of 1990, but during the latest five months it has averaged only 0.2 over.

As an additional sign that the recession is abating, employment levels slowly march upward. Region 3's employment level barely budged over the month and year, but Duluth's rose from 38,766 in June 1991 and 38,729 in July 1990 to 39,313 this July, the highest level since at least 1980.

Job estimates based on employer surveys (that reflect workers commuting into Duluth) tell a somewhat different story. This data suggests that the job level dropped slightly (-1.1%) both over the month and year.

Compared with July 1990, nondurable goods producing jobs were up 6.0% and health service jobs were up 6.6%. Unfortunately, those gains were more than offset by a 7.6% loss in durable goods producing, three percent losses in retail trade, government, and other services. Government cuts are in response to tighter budgets, and the loss of over 300 retail trade jobs reflects consumer belt tightening.

Over the month, job losses were spread over several industries. None except durable goods producing's 9.4% loss was noteworthy. It was caused by temporary layoffs by a food processor and a tool maker. *By Ron Daws*

LABOR FORCE DATA

	Employment			Unemployment			Unemp. Rate		
	July 1991	June 1991	July 1990	July 1991	June 1991	July 1990	July 1991	June 1991	July 1990
REGION 3	142,808	142,716	142,194	10,004	10,756	9,824	6.5	7.0	6.5
Aitkin	5,677	5,664	5,057	460	515	496	7.5	8.3	8.9
Carlton	12,353	12,569	12,517	802	966	954	6.1	7.1	7.1
Cook	3,401	3,249	3,077	103	127	142	2.9	3.8	4.4
Itasca	16,845	17,602	16,456	1,501	1,765	1,724	8.2	9.1	9.5
Koochiching	9,420	9,427	11,108	744	882	658	7.3	8.6	5.6
Lake	4,559	4,912	4,770	315	421	317	6.5	7.9	6.2
St. Louis	90,553	89,293	89,209	6,079	6,080	5,533	6.3	6.4	5.8
City of Duluth	39,313	38,766	38,729	2,212	2,637	2,224	5.3	6.4	5.4
Balance St. Louis	51,240	50,527	50,480	3,867	3,443	3,309	7.0	6.4	6.2

DULUTH & DULUTH-SUPERIOR MSA NONFARM WAGE & SALARY EMPLOYMENT

Industry	DULUTH Employment			DULUTH % Change From		DULUTH SUPERIOR Employment			DULUTH SUPERIOR % Change From	
	July 1991	June 1991	July 1990	Month Ago	Year Ago	July 1991	June 1991	July 1990	Month Ago	Year Ago
Total Nonfarm Wage and Salary	49,396	49,958	49,963	-1.1	-1.1	98,002	98,820	98,974	-0.8	-1.0
Goods Producing	6,099	6,196	6,106	-1.6	-0.1	18,202	18,345	18,484	-0.8	-1.5
Mining	Small, combined with construction					5,344	5,479	5,542	-2.5	-3.6
Construction	1,965	1,911	1,998	2.8	-1.7	3,963	3,694	4,270	7.3	-7.2
Manufacturing	4,134	4,285	4,108	-3.5	0.6	8,895	9,172	8,672	-3.0	2.6
Durable Goods	1,486	1,641	1,609	-9.4	-7.6	4,573	4,845	4,630	-5.6	-1.2
Nondurable Goods	2,648	2,644	2,499	0.2	6.0	4,322	4,327	4,042	-0.1	6.9
Service Producing	43,297	43,762	43,857	-1.1	-1.3	79,800	80,475	80,490	-0.8	-0.9
Transp., Comm., & Util.	3,113	3,107	3,213	0.2	-3.1	6,063	6,042	6,212	0.3	-2.4
Trade	11,814	11,742	12,062	0.6	-2.1	24,115	23,945	25,096	0.7	-3.9
Wholesale	1,905	1,896	1,836	0.5	3.8	3,967	3,954	3,992	0.3	-0.6
Retail	9,909	9,846	10,226	0.6	-3.1	20,148	19,991	21,104	0.8	-4.5
Finan., Insur., & Re. Estate	1,974	1,992	1,945	-0.9	1.5	3,329	3,329	3,245	0.0	2.6
Services	14,882	14,992	14,751	-0.7	0.9	25,143	25,390	25,025	-1.0	0.5
Health	6,419	6,355	6,023	1.0	6.6	10,334	10,308	9,811	0.3	5.3
Other Services	8,463	8,637	8,728	-2.0	-3.0	14,809	15,082	15,214	-1.8	-2.7
Government	11,514	11,929	11,886	-3.5	-3.1	21,150	21,769	20,912	-2.8	1.1

Research Summaries

Several important studies have been conducted over the past three or four years regarding the role that education and business must play in preparing a workforce that can compete in a global economy. The following is a list of some of these reports:

Accelerating Academic Achievement: A Summary of Findings from 20 Years of the National Assessment of Educational Progress
by Ina V.S. Mullis, Eugene H. Owen, and Gary W. Phillips
Princeton, NJ: Educational Testing Service, 1990.

Worker Training: Competing in the New International Economy
A report of the Office of Technology Assessment, U.S. Congress
Washington, D.C.: Government Printing Office, 1990.

America's Choice: High Skills or Low Wages!
The report of the Commission on the Skills of the American Workforce
Rochester, New York: National Center on Education and the Economy, 1990.

"From High School to Work: Market and Institutional Mechanisms in Japan"
by James E.Rosenbaum and Takehiko Kariya
American Journal of Sociology 94, No. 6, May 1989.

"What If Good Jobs Depended on Good Grades?"
by James Rosenbaum
American Educator, Winter 1989.

SchoolWorks: Reinventing Public Schools to Create the Workforce of the Future
by William E. Nothdurft
A German Marshall Fund of the United States Book
Washington, D.C.: The Brookings Institution, 1989.

Apprenticeship for Adulthood: Preparing Youth for the Future
by Stephen F. Hamilton
New York: Free Press, 1990.

The Business Role in State Education Reform
A report prepared for the Business Roundtable by R. Scott Fosler,1990.

An article that synthesizes many of these reports is, "Does Business Have Any Business in Education?" by Nan Stone which appeared in the March-April 1991 issue of *Harvard Business Review*. Ms. Stone states that "Today more than ever before, school is about working and work is about learning... For many executives, the most effective way to change schools is to change what happens inside their own companies."

Higher education, full-time work, longer experience on the job, and union membership increase the earnings of both men and women--but women have a harder time reaping the rewards, according to congressional testimony. A college degree added $3.83/hour to the wage of white working mothers, says the Institute for Women's Policy Research. A full-time job rather than a part-time job adds $1.26, union membership adds $1.05, and 5 years of work experience adds $0.35.

o The July 21, 1991 *New York Times* article "Work Force or Nonworking Poor?" by George B. Autry, president of a research corporation in Chapel Hill, N.C.states that "Business can't live with America's poor and it can't live without them. It can't afford the social and economic costs of their dependency. Nor can it afford the waste of labor as middle-class entrants into the work force slow to a trickle...But school reform came too late to make the work force competitive. It is time for business leaders to focus on adults--especially adults who are undertrained and likely to be wasted in today's economy."

o A study from the Economic Policy Institute challenges the Labor Department's *Workforce 2000* predictions that the U.S. economy will create a large number of highly skilled jobs in the 1990s and that there will be a shortage of qualified workers. Actually, according to the authors, requirements for jobs will increase only slightly over the next 10 years, and they also question that the future labor force will be increasingly dominated by unqualified poor and minority workers.

o Programs to get poor people jobs modestly increase their earnings and save public money. But not much, according to a major new study by the Manpower Demonstration Research Corp. The study will not reassure those who want to believe that welfare dependence can be eliminated at little expense to taxpayers.

o The all-industries median first-year wage increase negotiated in the first 36 weeks of 1991 was 3.9%, compared with 4.0% in the same time span of 1990, according to the latest Bureau of National Affairs survey.

o Two of the most important U.S. labor market trends during the 1970s and 1980s--the decline in trade unionism and the increase in wage inequality-- appear to have a cause-and-effect relationship, according to research by David Card, a Princeton University economist. Workers in low-wage jobs have become less likely to be represented by unions, while union coverage has actually increased for the top fifth of wage earners. Since unions tend to raise the earnings of low-wage workers, this has resulted in greater wage inequality. The research was based on data from the Current Population Survey.

o Asian-Americans, Pacific Islanders, and Native Americans owned 376,711 U.S. businesses in 1987, up 87% from 1982, according to economic census data. The rise in the number of Hispanic-owned businesses was 81%, it was 38% in black-owned businesses, and it was 14% overall.

By Bruce Steuernagel

Feature Article

A Decade of Diversity

Jobs proliferated in Minnesota during the 1980s, but not all areas shared them equally.

Jobs in Minnesota grew by an impressive 20.5% during the 1980s, even though the state's economy was adversely affected by the economic downturn of 1981-82 and the serious downsizing of the computer manufacturing industry later in the decade. Overall, a total of 351,000 jobs was added in the 1980s.

Where in the state were these jobs created? Did all areas of the state share equally in the employment gains and increased economic prosperity in the 1980s? What do these gains mean for various regions of the state in the upcoming decade?

Employment gains and losses were not uniform throughout the state, since population shifts and economic influences affected various regions differently. Also, jobs increased much faster in the latter part of the 1980s after recovery from the recession of the early '80s took hold. By examining employment changes in different regions of the state during the decade, a clearer picture of the growth in various areas emerges. This gives insight into the strengths and weaknesses of the employment bases of the different regions, and how employment in each area might grow in upcoming years.

The non-metropolitan counties of Minnesota tend to fall into three categories, based on their location and the major economic activity that takes place in each (Figure 1).

- The **"Twin Cities Fringe Counties"**. Located within a 100-mile radius of Minneapolis and St. Paul but beyond the 7-county metropolitan region, these 26 counties contain some of Greater Minnesota's largest and most prosperous cities, notably Mankato, St. Cloud, and Rochester, which, by themselves, are distinct labor market areas. Still, the proximity of the Fringe Counties to the Twin Cities and its suburbs allows their residents to have access to jobs in the metropolitan area.
- **"Agriculture Dependent Counties"** include those 28 which derive at least 20% of their total labor and proprietors' income from farming.
- The 11 **"Natural Resource Counties"** in northeast Minnesota which are heavily dependent on mining, forest products and tourism (although not exclusively dependent).

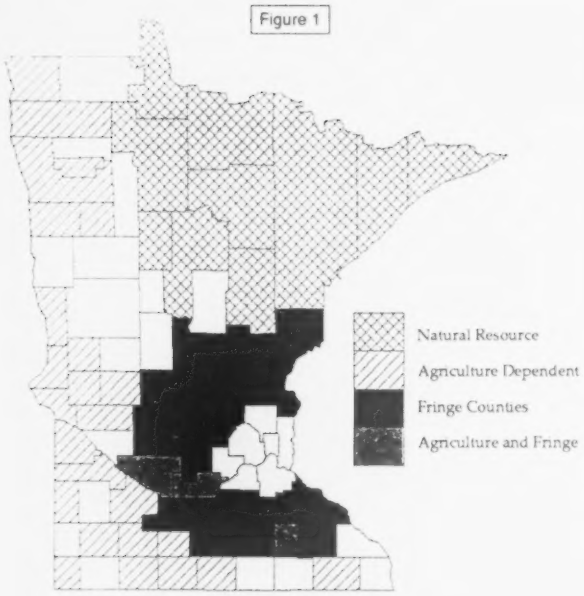
The remaining 18 non-metro counties do not fit into any of these categories. Many counties within the Fringe region have significant agricultural sectors, and many Agriculture Dependent counties have important manufacturing firms. Three counties qualified as both Agriculture Dependent and Fringe

Twin Cities Fringe Counties

While these counties are neither metropolitan nor suburban, in many ways they are economically tied to the metropolitan area. These counties contain some of Minnesota's larger cities, a number of communities in the 10,000 to 25,000 population range, and smaller towns whose economies are closely tied to agriculture.

Many workers residing in the Fringe Counties commute or carpool to jobs in Minneapolis, St. Paul or their suburbs. Hence, these counties represent a peripheral or supplementary labor market area for many firms

Figure 1



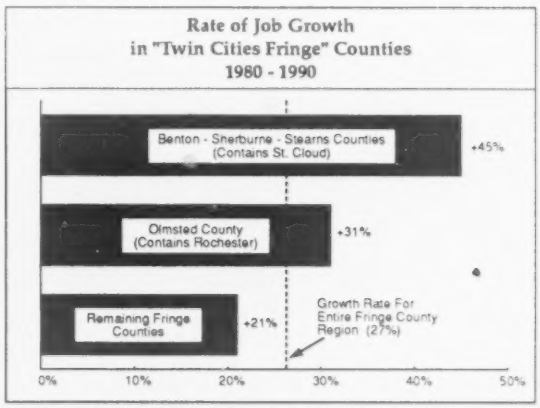
located in the 7-county metropolitan region. Also, many workers who live in the metro region work in jobs located in Fringe Counties.

Employment grew faster in the Fringe Counties during the 1980s than in either the state or the Twin Cities metro region (27% for the Fringe Counties vs. 20% for the state and 23% for theTwin Cities metro area). Non-farm payroll jobs in the Fringe Counties dropped only 1.5% during the economic downturn of the early '80s and then increased dramatically: a 14% rise between 1983 and 1987 while other non-metro areas of the state experienced much slower growth, and a healthy 13% increase between 1987 and 1990.

Two notable factors were responsible for the impressive job gains of the 1980s, and will continue to strengthen the Fringe Counties in the coming decade. One reason is that many firms, especially manufacturing and service businesses, found the Fringe Counties attractive not only because of their proximity to the Twin Cities but because lower land prices, property taxes and prevailing wage rates resulted in lower costs of doing business. In the 1980s, manufacturing added 12,700 jobs (a 19% gain) and the number of service jobs rose by 31,500 (52%). Jobs in wholesale and retail trade grew by 19,000 or 27%. The other reason is that the prosperous larger cities of the Fringe Counties acted as magnets for new businesses, resulting in more jobs for local residents. The major cities of the region have been attractive markets for goods and services, and numerous retail and service firms headquartered elsewhere established operations in Mankato, Rochester, St. Cloud and other communities.

For these reasons, the rate of job growth in the region's two largest cities, Rochester and St. Cloud, surpassed the growth rate in the entire Fringe County region (Figure 2). Non-

Figure 2



Source: Research and Statistics Office, ES 202 Program

agricultural payroll jobs in Benton, Sherburne and Stearns Counties, the St. Cloud metro area, grew 45% during the 1980s; Olmsted County, which is the Rochester metro area, had an increase of 31% in total payroll jobs. While payroll jobs increased in all but one of the Fringe Counties during the 1980s, the combined St. Cloud and Rochester metro areas added 38,800 jobs, 50% of the Fringe Counties' 77,600 job growth.

Slowing economic growth in the early 1990s should result in a slower rate of job growth in the Fringe Counties than what occurred during the 1980s. Nevertheless, the substantial base of businesses and jobs that were developed during the past decade should allow

these counties to prosper even in the face of the mild economic downturn of the early 1990s, and what may be a protracted recovery thereafter.

Agriculture Dependent Counties

Minnesota's Agriculture Dependent counties are those which derive at least 20 percent of their annual income from farm products. While nearly all counties in western and southern Minnesota have significant agricultural sectors, these 28 are defined as Agriculture Dependent because of their particularly high reliance on farm income.

Most of these counties are largely rural, consisting of small towns and wide expanses of farmland. Certain counties contain smaller-to-medium sized communities, often the county seats, which serve as retail and service centers for surrounding areas. These towns are relatively prosperous, and many have manufacturing plants, usually food processing or light manufacturing companies, which are major employers of local residents.

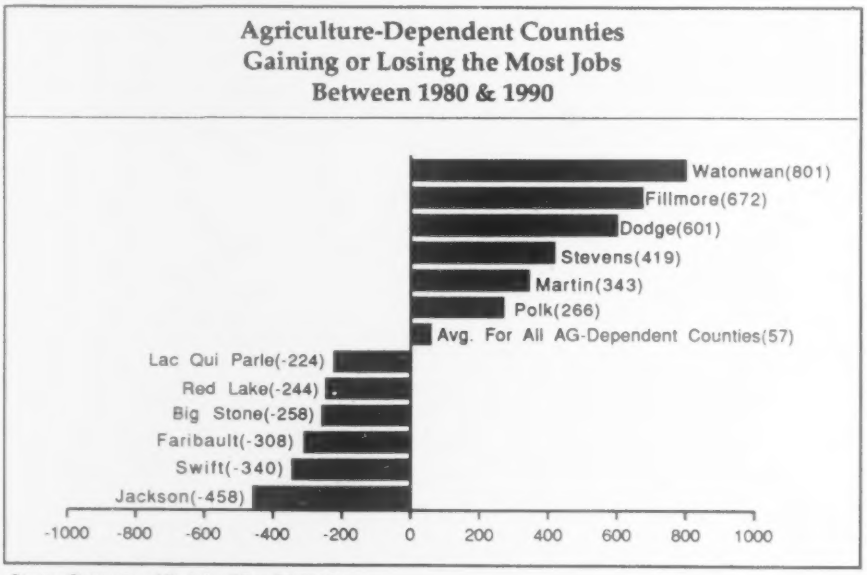
In the 28 Agriculture Dependent counties, total payroll jobs declined by six percent between 1980-83, due to the economic downturn prevalent throughout the state in the early 1980s. Hardest hit were construction, manufacturing and wholesale and retail trade firms. Non-farm payroll employment declined 0.3% in 1983-87 as a downturn in the farm economy adversely affected rural Minnesota. The number of jobs increased almost nine percent during 1987-90 as overall business conditions improved despite the severe drought of 1988.

The percentage of manufacturing jobs in these counties increased in the 1980s: from 15.6% in 1980 to 16.3% in 1990. Likewise, employment in service industries rose from 19% to 23% during the '80s. The Trade sector declined in relative importance, from 29% of all jobs in these counties in 1980 to 25% in 1990.

The concentration of retail business and jobs into the larger communities, and the corresponding decline of both population and retail business in the smaller towns, was the prevailing pattern in the counties of this region in the 1980s. Even so, certain communities have successfully maintained or developed an industrial base and strengthened their role as retail trade and service centers for surrounding areas.

Figure 3 shows which of the Agriculture Dependent counties added or lost the most jobs. Those counties which gained the most usually

Figure 3



Source: Research and Statistics Office; ES-202 Program

had important retail and service centers, and job growth in some communities has been helped by the presence of a locally important manufacturing firm or some other relatively large employer such as a branch of the University of Minnesota. Examples of such areas are: St. James in Watonwan County, Morris in Stevens County, Fairmont in Martin County and Crookston in Polk County.

During the 1990s, those communities that continue to diversify their economies toward manufacturing, retail trade and service businesses to lessen their dependence on farm income will have the best chance of maintaining a growing or at least stable employment base. The region's population is projected to stablize in most counties and to decline slightly in some. Economic gains and increases in jobs will not be generated from population growth in the region, but will be the result of innovative development efforts by the region's individual communities.

Natural Resource Counties

The economy of the 11-county area in northeast Minnesota is largely dependent on three principal "natural resource" activities: mining and taconite production, forest products, and tourism. All three are cyclical industries, and the state, national and global demand for the products or services offered by these industries seriously influences the prosperity of this region. As demand rises and falls, so do the economic fortunes of the "natural resource" region. Nevertheless, large, stable employers such as educational institutions, medical facilities, and state and local government operations moderate the effects of cyclical swings in the demand for the region's products and the ensuing job gains and losses in the cyclical industries.

Employment in metal mining was nearly 14,000 in 1980, but the number of mining jobs fell to 6,500 by 1983 due to the closing of several major mining operations. By 1987, mining employment hit bottom at about 4,300, although it recovered to about 6,400 by 1990. Even though mining companies have found it profitable to re-open some facilities, employment in this industry is not likely to reach pre-1980 levels for the foreseeable future. The economic downturn in the early 1990s slowed the demand for steel products, and Minnesota taconite faces stiff competition from producers worldwide.

In the 1980s, forest products industries lost jobs due to the closing of older, less-efficient facilities in Cloquet and other communities, but jobs have been added in areas where new mills have been built. Technological advances and the development of new processes, such as the production of waferboard and chipboard from previously unusable wood by-products, have created new jobs. Employment in this industry has been helped by the construction of a large, state-of-the-art paper mill in Duluth. Bemidji and Grand Rapids have also benefited from employment growth in this industry.

Jobs in retail and service businesses which cater to tourists increased noticeably during the 1980s, largely due to successful promotional efforts, special events and new attractions that draw visitors to the region. Duluth, the communities along the North Shore of Lake Superior, and towns near the Boundary Waters Canoe Area will continue to benefit from expanded efforts to bring tourist business into northeast Minnesota.

Of the three non-metropolitan regions, the Natural Resources counties lost the greatest percentage of jobs between 1980 and 1983 (13%) as the effects of the national recession hit the cyclical economy of this the region harder than other parts of the state. Manufacturing employment declined 16% during these years, service jobs were down 15%, and construction lost 37% of its total payroll employment. After 1983, employment in non-manufacturing industries picked up slightly, and between 1987 and 1990, all industry groups made solid employment gains. Total payroll employment in the region grew 13% during this time.

Overall, the percent distribution of employment by major industry category in the Natural Resource counties did not change much

between 1980 and 1990. Manufacturing declined from 12% to 11% over the decade, while the percentages of services and government increased modestly.

The number of jobs in this region grew during the latter years of the 1980s as a result of a strengthened economy. The Natural Resource counties have capitalized on their strengths and are now poised to take advantage of opportunities that will come along in the 1990s as the economy improves. The three major industries of this area will remain cyclical, but a greater breadth of business activity will help even out the boom-and-bust employment patterns in this region in future years.

Summary

Economic events in the 1980s affected job growth or decline in the three non-metropolitan areas of the state differently (Figure 4). The recession of 1981-82 caused the Natural Resources counties of northeast Minnesota to lose jobs fastest during the early '80s. In contrast, the most dramatic job growth occurred in the Fringe Counties surrounding the metropolitan region during the relatively prosperous years of the late 1980s. The Agriculture Dependent counties experienced a loss of jobs in the early '80s, little change in the mid-'80s, and moderate gains in the latter part of the decade, but the gains or losses were nearly always slower than those occurring in the other regions during the same time periods.

Each non-metropolitan region built upon its economic strengths over the past decade and made efforts to diversify its economy to protect against employment losses caused by downturns in dominant business sectors. While this can't guarantee a recession-proof employment base, it can help moderate the effects of economic downturns, and boost overall job growth in more prosperous years.

By Kevin Alaspa

Figure 4

Source: Research and Statistics Office; ES-202 Program

Jobs That Can Change The World

Want to help the environment and make a career of it besides? You might have that opportunity, as firms become more environmentally-conscious either by choice or because of consumer demand and government regulation. So what kind and how many jobs are there in Minnesota?

Two environmental occupations we track and project are foresters/conservation scientists, of which there were 740 in Minnesota in 1989, and forest/conservation workers, of which there were 650. Neither is very large.

Obviously, there are many other environmental-related occupations, but they are small, or their environmental responsibilities may be just part of another job's duties. When we forecast employment, these jobs get combined with other occupations. Consequently, we tap other sources of information.

One major source of environment-related employment is the government, although some federal jobs may be more prevalent in other parts of the country than in Minnesota. Figure 1 shows Minnesota state government job classifications that have 15 or more employees, their average wages, and the occupations under which they are grouped in our employment outlooks. With over half of these jobs paying more than $15 per hour, their earnings are higher than most state government jobs. Most of these jobs require post-secondary education. There is definitely competition for these jobs at the entry level, although in some higher-level occupations, opportunities may be there for those with experience and good managerial skills.

Jobs are also present in the private sector. ***Citybusiness*** magazine listed information about 25 major Minneapolis-St. Paul area environmental services companies in their August 20, 1990 issue. Consulting, lab analysis, and/or remediation of problems were listed most often as their areas of specialization.

The two major factors that influence the growth of environment-related jobs operate oppositely. While the need for environmental protection spurs growth in both government and the private sector, budgetary constraints tend to slow job expansion in government, as in the examples shown below.

An alternative way to engage in an environmental career is to incorporate one's ideas into another job, such as a purchasing agent who buys products that are the most environmentally beneficial.

There are many different types of occupations related to the environment, and

Figure 1

State Government Environment-Related Job Classes With 15 or More Employees For Week Ending 4-23-91

State of Minnesota's Job Title	Employment	Average Wage	Occupational Group
Research Scientist 2	28	$17.37	All Other Physical Scientists
Hydrologist 1	35	13.90	
Hydrologist 2	67	16.89	
Hydrologist 3	52	19.88	
Natural Resources Forestry Specialist Intermediate	33	14.09	Forester, Conservation Scientist
Natural Resources Forestry Specialist Senior	104	15.50	
Natural Resources Forestry Regional Specialist	19	17.10	
Natural Resources Forestry Assistant Supervisor	18	16.23	
Natural Resources Forestry Supervisor	22	20.35	
Natural Resources Fisheries Area Supervisor	23	18.09	Biological Scientists
Pollution Control Specialist	88	12.25	All Other Life Scientists
Pollution Control Specialist Intermediate	74	13.90	
Pollution Control Specialist Senior	112	15.81	
Pollution Control Project Leader	35	17.17	
Pollution Control Specialist Principal	26	20.96	
Natural Resources Specialist (Fisheries Management)	61	12.79	
Natural Resources Specialist 1 (Park Specialist)	16	13.49	
Nat. Resources Specialist Intermediate (Fisheries Mgmt.)	31	14.88	
Nat. Resources Specialist Intermediate (Wildlife Mgmt.)	27	14.34	
Nat. Resources Specialist Senior (Wildlife Management)	42	16.65	
Agricultural Technician	37	9.07	Natural Sciences and Math Technicians
Pollution Control Technician	76	10.03	
Natural Resources Technician (Forestry)	92	12.37	
Natural Resources Technician (Wildlife)	33	11.76	
Natural Resources Technician (Fisheries)	80	12.29	
Natural Resources Trails & Waterways Specialist Senior	15	15.25	All Other Professional, Paraprofessional, Technical
Natural Resources Wildlife Area Supervisor	16	18.25	
Natural Resources Specialist (Conservation Officer)	139	15.59	All Other Protective Service Workers
Natural Resources Specialist 3 (Conservation Officer)	22	17.89	
Natural Resources Park Supervisor 2	18	15.42	All Other Service Workers
Natural Resources Park Supervisor 3	26	16.36	
Dairy Regulatory Specialist 2	24	14.66	
Parks Worker	61	10.71	Forest and Conservation Workers
Zoo Keeper	35	11.49	Animal Caretakers, Except Farm

Source: Minnesota Department of Employee Relations

more will probably emerge. Their growth in government may be slower than in the private sector. Competition may be tough, with some jobs easier to get in other states. But Jane Willard, president of EnPro Assessment Corp, a St. Paul firm that does environmental assessments and audits for property transfers, said this about Minnesota in the January/February 1991 issue of Minnesota Ventures: "...I wouldn't have so much competition elsewhere, but on the other hand, there wouldn't be so much work". So if, despite limited opportunities and advanced job requirements, you are interested, check around--there may be opportunity for a career that will make the planet a little more liveable.

By Sue Borgfelt and Betsy Sawyer

For this study the following sources were consulted: Minnesota Departments of Employee Relations and Natural Resources, Minnesota Pollution Control Agency, *Minnesota Ventures* and *CityBusiness* magazines, the *Occupational Outlook Handbook*, and *Minnesota Occupational Information 1990-91.*

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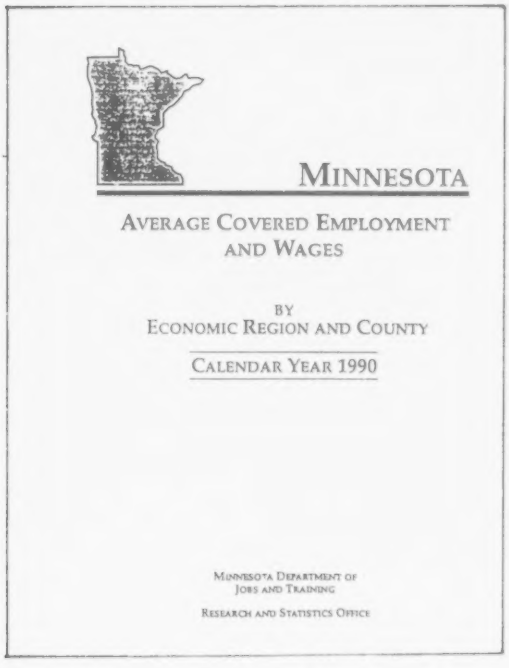

Notice:

The Forecast of Real GNP and Minnesota Employment which normally appears on page 4 of the *"Review"* will not appear in this issue. It will reappear in the December 1991 issue, although not necessarily in the same format.

New publication available:

The *Minnesota Average Covered Employment and Wages by Economic Region and County* will be available in October 1991 by calling (612) 296-7892. Minnesota is one of the few states to publish annual average employment and total annual wages by industry.

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